

well as UK tax evasion. It is a complete defense if the body corporate or partnership has reasonable procedures in place designed to prevent persons associated with it from committing tax evasion facilitation offences.

The Manager intends to (i) implement reasonable procedures to prevent associated persons from committing criminal facilitation of tax evasion, and (ii) consider the offence in respect of the Fund's investments. It is nevertheless possible that an English court would not find these procedures reasonable and the Manager could be found guilty of this criminal offence and subject to unlimited financial penalties.

Co-investment risks, counterparty risks and investments via other entities

The Fund may make investments via other entities and in a joint venture, co-investment or partnership arrangement with other parties. This may involve alternative investment vehicles (where the Fund may cause the Investors to transfer a portion of their Commitments to such entities), partnerships, joint ventures, companies, trusts or other entities. Such arrangements may involve additional risks (such as the risk that the Manager will not be as familiar with the operation of such entities, or the risk of higher costs associated with their formation, structuring or operation, or relationships with co-venturers deteriorating) and the Fund's investment via such entities may be impacted by other parties if made on a joint venture, co-investment or partnership basis (*e.g.*, where a co-venturer, co-investor or partner defaults on its funding obligations, or is in a position to take action contrary to the Fund's objectives due to having economic or business interests or goals that are not consistent with those of the Fund, or where the Fund is liable for actions of such co-venturer, co-investor or partner). Additionally, to the extent that a co-venturer, co-investor or partner operates a project, the Fund will bear the risk of actions or omissions by such co-venturer, co-investor or partner. While the Manager will seek to limit the extent to which such factors can affect the Fund, such actions or omissions may not be sufficient to protect the Fund from loss. There is a risk that co-venturers, co-investors, partners or counterparties may default on their contractual obligations to the Fund or the Fund's investments. Any such default would likely have an adverse effect on the value of the Fund's investments and on the returns to Investors. In addition, the Fund may co-invest with other parties through partnerships, joint ventures or other entities. Under such circumstances, there is the possibility that the entity in which the Fund's investment is made or such co-investor may have economic or business interests or goals that are not entirely consistent with those of the Fund. In addition, the Fund may, in certain circumstances, be liable for actions of its co-investors.

Dilution from subsequent closings

Investors subscribing for Interests after the First Closing will participate in existing investments of the Fund, diluting the interest of existing Investors therein. Although such Investors will contribute their pro rata share of prior Fund drawdowns (plus interest), there can be no assurance that this payment will reflect the fair value of the Fund's existing investments at the time such additional Interests are subscribed for.

Indemnification

The Fund will indemnify, and hold harmless, the General Partner, the Second GP, the Manager, the U.S. Adviser and each of their respective affiliates who have acted directly or indirectly on behalf of the Fund; each of the current and former officers, directors, employees, managers, agents of any of the General Partner, the Second GP, the Manager, the U.S. Adviser and each of their respective affiliates who have acted directly or indirectly on behalf of the Fund; each person serving, or who has served, as a member of the Fund Advisory Committee (and, with respect to claims or damages arising out of or relating to such service only, the Investor that such person represents and each of such Investor's officers, directors, employees, partners, members, managers, agents and other representatives); and any other third party designated by the General Partner as a covered person who serves at the request of the General Partner or the Manager directly or indirectly on behalf of the Fund from and against any liabilities, actions, proceedings, claims, costs, demands and expenses to which they may become subject by reason of their activities on behalf of the Fund, unless such liabilities, actions, proceedings, claims, costs, demands and expenses result from certain conduct of such indemnified person as specified in the Fund Partnership Agreement. Indemnification of these indemnified persons may impair the financial condition of the Fund and its ability to acquire investments or otherwise achieve its investment objective or meet its obligations. Furthermore, the Investors may be required to return certain distributions for the purpose of satisfying any claim under such indemnity, subject to certain limitations.